

Agenda

Special Meeting (Budget)

Tuesday, 25 June 2013

commencing at 9.00am

Council Chambers, Corner Currie and Bury Streets, Nambour

TABLE OF CONTENTS

ITEM	SUBJECT	PAGE NO
1	DECLARATION OF OPENING	5
2	RECORD OF ATTENDANCE AND LEAVE OF ABSENCE	5
3	RECEIPT AND CONFIRMATION OF MINUTES	5
4	OBLIGATIONS OF COUNCILLORS	5
4.1	DECLARATION OF MATERIAL PERSONAL INTEREST ON ANY ITEM OF BUSINESS	5
4.2	DECLARATION OF CONFLICT OF INTEREST ON ANY ITEM OF BUSINESS	5
5	REPORTS DIRECT TO COUNCIL	7
5.1	FINANCE AND BUSINESS	7
5.1.1	OPERATIONAL PLAN 2013-2014	7
5.2	REGIONAL STRATEGY AND PLANNING	11
5.2.1	PUBLIC TRANSPORT LEVY INITIATIVES REPORT 2013/14.....	11
5.2.2	2013/14 SUNSHINE COAST ENVIRONMENT LEVY POLICY AND PROGRAM	21
5.3	FINANCE AND BUSINESS	31
5.3.1	REVENUE STATEMENT 2013/14	31
5.3.2	ADOPTION OF 2013/14 BUDGET AND FORWARD ESTIMATES FOR THE 2014/15 TO 2022/23 FINANCIAL YEARS	39
6	NEXT MEETING.....	49
7	MEETING CLOSURE.....	49

1 DECLARATION OF OPENING

On establishing there is a quorum, the Chair will declare the meeting open.

2 RECORD OF ATTENDANCE AND LEAVE OF ABSENCE**3 RECEIPT AND CONFIRMATION OF MINUTES**

That the Minutes of the Special Meeting (Budget) held on 11 June 2013 be received and confirmed.

4 OBLIGATIONS OF COUNCILLORS**4.1 DECLARATION OF MATERIAL PERSONAL INTEREST ON ANY ITEM OF BUSINESS**

Pursuant to Section 172 of the *Local Government Act 2009*, a councillor who has a material personal interest in an issue to be considered at a meeting of the local government, or any of its committees must –

- (a) inform the meeting of the councillor's material personal interest in the matter; and
- (b) leave the meeting room (including any area set aside for the public), and stay out of the meeting room while the matter is being discussed and voted on.

4.2 DECLARATION OF CONFLICT OF INTEREST ON ANY ITEM OF BUSINESS

Pursuant to Section 173 of the *Local Government Act 2009*, a councillor who has a real or perceived conflict of interest in a matter to be considered at a meeting of the local government, or any of its committees must inform the meeting about the councillor's personal interest the matter and if the councillor participates in the meeting in relation to the matter, how the councillor intends to deal with the real or perceived conflict of interest.

This page has been intentionally left blank.

5 REPORTS DIRECT TO COUNCIL**5.1 FINANCE AND BUSINESS****5.1.1 OPERATIONAL PLAN 2013-2014****File No:** 37.6.1**Author:** Corporate Planning & Reporting Manager
Finance & Business Department**Appendices:** App A - Operational Plan 2013-2014

PURPOSE

This report presents to Council the proposed Operational Plan 2013-2014.

EXECUTIVE SUMMARY

The Operational Plan 2013-2014 (Appendix A) sets out the key project/activities to be undertaken by Council for that year. It is based on emerging priorities and strategies in the Corporate Plan 2009-2014, complements Council's annual budget and resource allocation, and supports the organisation's vision to become Australia's most sustainable region.

The operational plan is presented in corporate plan theme order. The corporate plan has eight themes, supported by emerging priorities and strategies. The strategies are used as the basis for developing the projects and activities in the operational plan.

The operational plan consists of 109 project/activities covering core budget, capital works programs, and any significant new operational projects funded for 2013-2014. The highlights include:

- Develop and commence implementation of Regional Economic Development Strategy with a focus on providing a strong and competitive platform.
- Develop a new 5 year Corporate Plan.
- Progressing the new planning scheme through further stages of the process to completion.
- Finalise EIS for new runway at Sunshine Coast Airport and identify associated funding and governance arrangements.
- Continue to implement a number of strategies and plans to enhance the environment including the Biodiversity Strategy, Climate Change and Peak Oil Strategy and the Waterways and Coastal Management Strategy.
- Continue to implement strategies and plans to enhance community wellbeing including Skate and BMX Strategy, Aquatics Plan and the Sport and Active Recreation Plan.
- Continue to implement a range of strategies to enhance social cohesion including the Youth Strategy, Positive Aging Strategy and Affordable Living Strategy.
- Continue to implement ongoing organisational efficiencies to improve service delivery to the community.
- Work closely with the new Noosa Council and State Government on de-amalgamation.

OFFICER RECOMMENDATION

That Council:

- (a) receive and note the report titled “Operational Plan 2013-2014” and
- (b) adopt the Operational Plan 2013-2014 (Appendix A).

FINANCE AND RESOURCING

Preparation of the Operational Plan has occurred within the Corporate Governance operational budget. The Operational Plan 2013-2014 and Annual Budget 2013-2014 are complementary documents and are developed in parallel to ensure that financial decisions and outcomes are reflected in both documents.

CORPORATE PLAN

Corporate Plan Theme: *Great governance*

Emerging Priority: 8.2 - Effective business management

Strategy: 8.2.1 - Develop indicators and measure the performance of council and the success in achieving its vision

Strategy: 8.2.3 - Implement a business approach that focuses on maximising opportunities, managing risks and improving quality of service

Corporate Plan Theme: *Great governance*

Emerging Priority: 8.6 - An informed and engaged community

Strategy: 8.6.3 - Keep the community informed about council’s activities through a wide range of communication tools

CONSULTATION**Internal Consultation**

Executive Directors and Branch Managers have reviewed the corporate plan strategies assigned to their area and determined the projects/activities to be included in the Operational Plan 2013-2014.

A draft Operational Plan was discussed by Councillors at a budget workshop on 3 June 2013.

External Consultation

External consultation has not been undertaken to develop the activities to be included in the Operational Plan 2013-2014. The Operational Plan 2013-2014 is based on the Corporate Plan 2009-2014.

Community Engagement

Extensive community engagement took place when developing the Corporate Plan 2009-2014 and the strategies in that document have been used as the basis for the development of the Operational Plan 2013-2014.

PROPOSAL

Preparation of the Operational Plan

The Operational Plan 2013-2014 is a requirement under the *Local Government Act 2009*, and the *Local Government Regulation 2012*.

The Operational Plan 2013-2014 is part of Council's overall strategic planning framework. The plan reflects how the strategies from the Corporate Plan 2009-2014 are linked to the organisation and sets the direction for the financial year.

The operational plan consists of project/activities funded from core budget and capital programs to be undertaken by the organisation.

Core budget project/activities

These are essential ongoing services to be delivered to the community and include:

- Infrastructure Services – ensuring essential infrastructure services are maintained.
- Community Services – providing important facilities and services to the community.
- Internal Services – essential support services to ensure the ongoing operations of Council.
- Strategy and Planning – planning for the future of the region and developing essential strategies.

Capital Programs

These prioritise the construction or purchase of infrastructure to support the development of the region and include: Transport; Parks and Gardens; Waste; Strategic Land and Commercial Properties; Stormwater; Coastal and Canals; Information Communication Technology; Airports; Holiday Parks; Building and Facilities; Environmental Assets and Fleet.

Linking the Operational Plan to the Corporate Plan

The Operational Plan 2013-2014 (Appendix A) is presented by corporate plan theme.

The corporate plan has eight themes, 37 emerging priorities, and 135 strategies and these are used as the basis for development of the operational plan.

There are 109 projects/activities in the operational plan and these are associated with the following themes in the corporate plan as listed in Table 1.

Corporate Plan Theme	Number
1. Robust economy	12
2. Ecological sustainability	10
3. Innovation and creativity	6
4. Health and wellbeing	9
5. Social cohesion	8
6. Accessibility and connectedness	7
7. Managing growth	26
8. Great governance	31
Total	109

Table 1. Summary of projects/activities by corporate plan theme

Legal

The Local Government Act 2009, and the *Local Government Regulation 2012 s(175)* set out the requirement for and the content of operational plan.

Legislation requires an annual operational plan to:

- be consistent with the annual budget;
- state how a council will progress the implementation of the five-year corporate plan;
- state how a council will manage operational risks; and
- include annual performance plans for each commercialised business unit where applicable.

Policy

The operational plan is based on the Corporate Plan 2009-2014 which is the principal guiding document for Council's future policy direction. The operational plan sets direction for the coming financial year on how Council achieves the Corporate Plan 2009-2014.

Risk

Reputation/public image – building a detailed operational plan based on the corporate plan minimises the risk of Council not achieving the vision set in planning documents (risk level: Low).

Financial – aligning the budget and operational plan projects/activities minimises the risk of projects being undertaken without funding (risk level: Low).

Previous Council Resolution

The Corporate Plan 2009-2014 was adopted at the Ordinary Meeting on 14 May 2009.

Related Documentation

- Sunshine Coast Regional Council Corporate Plan 2009-2014
- Sunshine Coast Council Budget 2013-2014
- Sunshine Coast Community Plan

Critical Dates

The operational plan is adopted before the start of the 2013-2014 financial year and prior to the adoption of the 2013-2014 Budget.

Implementation

Following adoption, Branch Managers will schedule projects/activities for implementation and report progress to Council through the Chief Executive Officer's Quarterly Progress Report.

5.2 REGIONAL STRATEGY AND PLANNING

5.2.1 PUBLIC TRANSPORT LEVY INITIATIVES REPORT 2013/14

File No:	Statutory Meetings
Author:	Project Manager State Transport Projects Regional Strategy & Planning Department
Appendices:	App A - Indicative listing of Public Transport Levy Initiatives for 2013/14 and Supporting Information App B - Schedule - Items of Ongoing Advocacy
Attachments:	Att 1 - Possible Program of Network Improvements

PURPOSE

The purpose of this report is to formalise the discussion with Council during the Budget Workshops for the continuation of the Public Transport Levy in 2013/14. It includes an indicative listing of initiatives for 2013/14.

EXECUTIVE SUMMARY

A significant challenge exists in demonstrating the value of public transport to individuals and the community to effect behaviour change and thereby reduce the current level of 85% of daily travel by private car.

The Public Transport Levy has proven in the past to be a significant tool providing Council with the ability to influence the State's public transport programs to benefit the Sunshine Coast community.

It is proposed to continue the Public Transport Levy for 2013/14, maintaining the rate at \$20 per rateable property per annum. Appendix A to the report outlines the indicative list of initiatives proposed for progress in 2013/14.

A proposed five year plan for service improvements is provided in **Attachment 1 – Possible Program of Network Improvements** to guide advocacy with State agencies where the responsibility for planning, managing and operating public transport resides.

The application of the Public Transport Levy in 2013/14 will continue existing initiatives but also take a new approach by proposing to focus on benefits for users and also testing fast, direct, centre to centre connections.

OFFICER RECOMMENDATION

That Council:

- (a) receive and note the report titled “Public Transport Levy Initiatives Report 2013/14”
- (b) confirm the existing Public Transport Levy Policy 2012 applies
- (c) adopt an indicative program of projects/initiatives as listed in Appendix A of the report for implementation in 2013/14 and authorises the Chief Executive Officer to progress the listing, subject to further advice from the Department of Transport and Main Roads and appropriate planning, development and analysis prior to implementation and
- (d) endorse the items for ongoing advocacy identified in Appendix B.

FINANCE AND RESOURCING

It is proposed to maintain the \$20 per ratable property per annum amount for the Public Transport Levy in 2013/14.

To assist with the de-amalgamation transition period, the 2013/14 Public Transport budget including estimated revenue and proposed expenditure has been presented into two six month periods being July-December 2013 (SCRC) and January – June 2014 (SCRC-Balance).

Period	Estimated revenue
July - December 2013	\$1,548,380
January - June 2014	\$1,239,220
Total	\$2,787,600

There are commitments which will affect the estimated balance for the Externally Restricted Cash for the Public Transport Levy as follows:

Estimate at 30 June 2013	\$4,350,000
Potential drawdown for specific major initiatives	(\$2,900,000)
• Horton Parade Transit Hub	
• Light Rail feasibility Study	
• Acceleration of bus stop improvements	
Estimated balance at 30 June 2014	\$1,450,000

Council had previously indicated its willingness to consider the accumulation of an investment reserve (building of any unexpended funds) to support future investment in high profile public transport matters and this principle has been applied above.

CORPORATE PLAN

Corporate Plan Theme: *Robust Economy*

Emerging Priority: 1.3 - Infrastructure for economic growth

Strategy: 1.3.1 - Facilitate the delivery of key infrastructure projects for our preferred economic growth

Corporate Plan Theme: *Innovation and creativity*

Emerging Priority: 3.1 - Partnerships and alliances that drive innovation

Strategy: 3.1.1 - Foster partnerships with governments, business and the community to encourage innovation and sustainability

Corporate Plan Theme: *Accessibility and Connectedness*

Emerging Priority: 6.2 - Better public transport

Strategy: 6.2.3 - In partnership with state government, deliver a responsive and affordable public transport system that considers arterial bus and light rail, which links the major activity centres of the region

CONSULTATION

Internal Consultation

A number of Budget Workshop discussions relating to the Public Transport Levy have recently occurred. Through the year internal communication has been maintained with councillors and staff on relevant matters as required. A Strategic Discussion Forum relating to public transport was held with Council on 10 December 2012. Councillors and relevant staff have been kept abreast of respective public transport initiatives and issues related to the SEQ Bus Network Review.

During the preparation of this report, input was invited and has occurred, from Units involved in the planning, implementation, delivery and marketing of initiatives including:

- Community Development in the Community Services Department
- Transport and Engineering Services in the Infrastructure Services Department and
- Transportation Strategy in the Regional Strategy and Planning Department.

External Consultation

Throughout the year, consultation has involved officers from the Department of Transport and Main Roads and the public transport service operators. Consultation has been challenging due to State departmental restructuring with the consequential changing of roles, responsibilities and work processes.

Community Engagement

No direct community engagement has occurred as part of compiling this report.

However, an extensive effort of community engagement and consultation occurred in 2012/13 and will have influenced proposals. Engagement did occur for many of the existing services or initiatives including the free holiday bus services, survey of the Nambour area, survey related to the Beerwah-Landsborough-Maleny bus service and the three flexilink services.

Another avenue for engagement is provided through Council's Transport Community Group which exists to enable a broad community based feedback source.

PROPOSAL

The Public Transport Levy must be considered and confirmed each year. This report proposes to:

- retain the existing Public Transport Levy Policy 2012 in its current form
- retain the current amount and method of application of the levy
- endorse the indicative program of initiatives for implementation in 2013/2014 which incorporates the continuation of some 2012/13 initiatives
- recognise the elements on which advocacy is required for public transport on the Sunshine Coast and
- note a possible five year program.

Proposal for 2013/14

It is proposed to continue the Public Transport Levy for 2013/14, maintaining the rate at \$20 per ratable property per annum.

Some of the initiatives from 2012/13 will be continued into 2013/14 to meet community service expectations and continue contractual obligations subject to their demonstrated need and satisfactory performance.

The application of the Public Transport Levy in 2013/14 will also add a new approach by proposing to focus on benefits for users and also testing fast, direct, centre to centre connections.

Table 1 from Appendix A – Indicative listing of Public Transport Levy Initiatives for 2013/14 and Supporting Information is replicated below and identifies an indicative listing of initiatives for 2013/2014. This generally complies with the broad allocation of funding for initiatives previously provided by Council.

The intended aim is to:

- consolidate and build on the outcomes achieved in previous years (subject to demonstrated need and satisfactory performance)
- set the stage for future network improvements' advocacy by testing fast, direct, centre to centre services and
- place an emphasis on targeting user benefits and specific user groups.

These align with the policy setting of the Sustainable Transport Strategy 2011.

The ultimate aim is for a public transport system which is fast, frequent, reliable, convenient, comfortable and safe. The proposed initiatives are considered another step towards achieving this goal.

Table 1: Indicative Listing of Public Transport Levy Initiatives for 2013/14

Public Transport Levy Initiatives	Indicative Budget July-Dec 2013	Indicative Budget Jan-June 2014	Total
SERVICES			
<u>New Business Services</u>			
Testing of fast, direct, peak hour services between: - Sippy Downs and Maroochydore - Caloundra and Maroochydore - Nambour and Maroochydore.	\$120,000	\$410,000	\$530,000
Test late night services Fri/Sat between Maroochydore and Nambour.	\$12,500	\$37,500	\$50,000
Opportunities to test services or extend services related to TMR initiatives. Specifically, take advantage of any of the route adjustments to suit the Horton Parade Transit Hub opening or other beneficial outcomes in the Maroochydore area.	\$90,000	\$160,000	\$250,000
<i>New Bus Services Total</i>	\$222,500	\$607,500	\$830,000
<u>Ongoing Trial Bus Services</u>			
Beerwah to Landsborough to Maleny Bus service trial.	\$95,000	\$95,000	\$190,000
<i>Ongoing Trial Bus Services Total</i>	\$95,000.00	\$95,000.00	\$190,000.00
<u>Flexible Travel Services</u>			
Flexilink – (Boreen Pt., Peachester, Conondale, Kenilworth, Lake Macdonald)	\$120,000	\$65,000	\$185,000
Council Cabs.	\$40,000	\$30,000	\$70,000
<i>Flexible Travel Services Total</i>	\$160,000	\$95,000	\$255,000

Public Transport Levy Initiatives	Indicative Budget July-Dec 2013	Indicative Budget Jan-June 2014	Total
MISCELLANEOUS SERVICES AND SUPPORT SYSTEMS			
Services			
Investigate and develop improved bus service network for Nambour	\$12,500	\$12,500	\$25,000
Service planning and investigation including new arrangements, with TMR leading to creating a mutually agreed Sunshine Coast Public Transport Network Plan and development of short term opportunities for improvement and new business models for trial.	\$10,000	\$10,000	\$20,000
Investigate emerging locations where bus queue jumps or other priority measures will be needed.	\$26,600	\$0	\$26,600
Support Systems			
Refinement and presentation of a future public transport network for the Sunshine Coast.	\$50,000	\$25,000	\$75,000
Network analysis, initiative performance, develop and maintain performance measures (in house with State agencies and operators).	\$15,000	\$10,000	\$25,000
<i>Miscellaneous Total</i>	<i>\$114,100</i>	<i>\$57,500</i>	<i>\$171,600</i>
INFRASTRUCTURE			
Bus Stops supporting 2013/14 levy	\$50,000	\$0	\$50,000
Bring forward of bus stop shelters at agreed 'new' sites.	\$75,000	\$60,000	\$135,000
<i>Infrastructure Total</i>	<i>\$125,000</i>	<i>\$60,000</i>	<i>\$185,000</i>
LIGHT RAIL			
Light Rail Feasibility Study	\$150,000	\$150,000	\$300,000
<i>Light Rail Total</i>	<i>\$150,000</i>	<i>\$150,000</i>	<i>\$300,000</i>
FREE HOLIDAY BUS			
Free Holiday Bus initiative (Christmas/New Year period only, 11 days)	\$300,000	\$200,000	\$500,000
<i>Free Holiday Bus Total</i>	<i>\$300,000.00</i>	<i>\$200,000.00</i>	<i>\$500,000.00</i>
INFORMATION, COMMUNICATION AND MARKETING			
Marketing of all initiatives	\$30,000	\$26,000	\$56,000
Campaign linking several Sustainable Transport related matters and engage in market research.	\$70,000	\$56,000	\$126,000
Update and dissemination of the "Guide to Public Transport on the Sunshine Coast"	\$20,000	\$20,000	\$40,000
Public Transport surveys and feedback opportunity in conjunction with TransLink and public transport operators.	\$15,000	\$15,000	\$30,000
<i>Information, Communication and Marketing Total</i>	<i>\$135,000</i>	<i>\$117,000</i>	<i>\$252,000</i>
User Focus			
Transition from paper tickets to <i>go card</i> targeting existing non <i>go card</i> users and new users: - seniors and pensioners - youth - adult workers	\$30,000	\$24,000	\$54,000
Third Party initiative support.	\$10,000	\$40,000	\$50,000
<i>User Focus Total</i>	<i>\$40,000</i>	<i>\$64,000</i>	<i>\$104,000</i>
TOTAL – 2013/14 Proposed Public Transport Levy	\$1,341,600	\$1,446,000	\$2,787,600

Table 1 incorporates the reduction in revenue for the second six months and incorporates consideration of the timing, scale and scope of activities across the whole of 2013/14 for Sunshine Coast Council. More information of the proposed intent and scope of each initiative listed for 2013/2014 is available at **Appendix A – Indicative listing of Public Transport Levy Initiatives for 2013/14 and Supporting Information** to the report. Table 1 does not include any potential projects funded from Externally Restricted Cash.

Passengers

Public transport passengers (current and new) receive additional focus this coming year.

It is proposed to facilitate more users to convert from paper ticket to *go card* use and benefit from the available cost savings. It also helps create an invitation to consider public transport as a travel choice and encourage additional patronage.

The ability and opportunity to provide opinion and feedback (including suggestions, notification of problems and advice of what is working) on services and network from users or potential users at an individual level does assist in identifying an area, issue or opportunity that can be acted on. This will need to link with and make use of existing communication systems.

Fast Services

The listing includes proposals for service initiatives based on testing direct, limited stop, express services between centres which would be developed to commence about the end of 2013.

These direct services have the ability to dramatically reduce travel times (almost halve) and significantly improve the desirability of travel by public transport. It will also target certain travel purposes, such as the journey to work trips, as well as benefit groups such as youth, seniors or visitors to make more use of public transport. Should these tests prove effective, a strong advocacy position will have been achieved by Council.

Patronage and feedback will inform a future Sunshine Coast Network Improvement Plan and provide a gauge as to the readiness of the Sunshine Coast for this type of service to meet real needs.

Longer Term Elements

A framework will be developed which provides a pathway identifying scope, activities, resource needs and timing for the introduction of numerous initiatives which will have a travel and passenger benefit. These include:-

- real time information (several levels of sophistication)
- fleet improvements and
- technology such as access to Wi-Fi.

Some elements may require a longer term view over multiple years. The expected outcome is a framework outlining the development and delivery of these types of items, which may require 2, 5 or even 10 year horizons to introduce into the Sunshine Coast. This will assist Council determine how to position itself into the future.

Partnership

There is a need to build and maintain strong relationships between Council and the State, at both the political level and at officer level, to be able to achieve many of the desired outcomes for the Sunshine Coast. Many of the initiatives listed have the ability to assist in fostering a professional and practical working relationship which should be targeted at being outcome focused for the travelling public.

Importantly, it would appear that currently there is fiscal uncertainty for partnered service initiatives in 2013/14. Therefore any service based proposals would require a different approach, be 100% funded by Council and must be considered 'test' services acting in a data gathering capacity only. This will assist significantly with advocacy.

All the public transport operators on the Sunshine Coast (Suncoast Cabs, Glasshouse Country Coaches and Sunbus) also need to be confident of the public transport direction for the Sunshine Coast.

Most of all there needs to be confidence and support from the community with the measures being implemented and the resulting outcomes.

Performance Indicators

It is important that a set of indicators are developed and be used to enable understanding of the effect of an initiative and to assist decision making. The *Sustainable Transport Strategy 2011* has included a list of indicators that may be considered for development as a basis to begin. This would be subject to refinement based on data availability and source, accuracy, frequency and expected relative change in data.

Advocacy

At the Strategic Discussion Forum in December 2012 the following list of items (was identified as a basis for ongoing advocacy as opportunity allows **(also shown in Appendix B)**).

1. Increase customer focused outcomes to achieve major patronage increases and acceptance of public transport as a viable travel choice
2. 'One' ticketing system across the Sunshine Coast
3. Easy and equitable fare structure
4. Real Time Information roll out
5. Create a 7 days per week system with appropriate span of hours
6. Services to match demands on the network as well as centre connectivity needs across all of the Sunshine Coast
7. Infrastructure to enhance the public transport journey
8. Take opportunities (partnering, linking to other activities)
9. Data collection and Performance Analysis
10. Seek user feedback in developing improvements
11. Take a leadership role with consistent and clear messages about public transport
12. Ensure next bus service contract has incentives which require the bus operators to be part of growing patronage

The list of 2013/14 initiatives seeks to build on many of these advocacy topics.

Legal

There are a range of contractual agreements associated with initiatives operating from funding from the public transport levy. This ranges from Funding Agreements with State agencies and third parties, to service contracts with transport operators. The agreements have generally been developed requiring annual renewal advice usually a minimum of one month prior to the end of financial year or other mutually agreed date.

The development of initiatives and services is subject to relevant legislation, regulation and commercial contracts. The Department of Transport and Main Roads has assisted to ensure all legislative requirements and contractual matters are not infringed. Beyond this, there is a need to comply with all relevant Council policies and processes. Internal legal and procurement advice is needed at various stages as each initiative is progressed, to ensure compliance as necessary.

Policy

Council's *Sustainable Transport Strategy 2011* includes the following policy directions in relation to public transport to reflect the commitment of sustainability and the creation of stronger centres:

- Emphasise the connection between public transport corridors and adjacent land uses
- Public transport network objectives focusing on patronage will require specific measures
- The bus network will be expected to operate at a high level of reliability and frequency
- Inter-Regional Links – hourly to half hourly public transport connections between the Sunshine Coast and Brisbane
- Public transport network objectives focusing on coverage should target services most relevant to the type of activity centre or community
- Support a concerted effort to achieve availability of real-time information and information dissemination through emerging electronic communication technology
- Collaborative effort with State agencies is required in order to make public transport a successful mode of choice

Further, the *Sustainable Transport Strategy 2011* has established particular goals with relevant objectives relating to public transport.

The *Public Transport Levy Policy 2012* is guiding this advice and levy initiatives.

Risk

There are no apparent significant legal risks associated with continuing the Public Transport Levy and its related initiatives.

Some consideration of the de-amalgamation process and its timing impact on initiatives has been incorporated.

Previous Council Resolution

The following resolution relates to the same topic last year and so is relevant to this report:

SPECIAL MEETING 13 JUNE 2012**4.3 PUBLIC TRANSPORT LEVY INITIATIVES REPORT 2012/2013****Council Resolution (SM12/04)**

That Council:

- receive and note the report titled 'Public Transport Levy Initiatives Report 2012/2013';*
- confirm there is no change to the Public Transport Levy amount and the method of application for 2012/13, being \$20 per rateable property per annum;*
- adopt the Public Transport Levy Policy 2012 at Appendix A to this report;*
- adopt an indicative program of projects/initiatives as listed in Table 1 of the report for implementation in 2012/2013 and authorise the Chief Executive Officer to progress the listing in Table 1 subject to further advice from TransLink and the Department of Transport and Main Roads as necessary and appropriate planning, development and analysis prior to implementation;*
- request the Chief Executive Officer to make arrangements for meetings to occur with the Minister for Transport and Main Roads and Minister for Public Transport and their relevant Department officers to brief them on the public transport goals of the Sunshine Coast; and*
- request the Chief Executive Officer to conduct with council a workshop review of the Public Transport Levy and associated policy and program of initiatives before December 2012.*

Related Documentation

The following documents have been referenced as a possible source of information for this report:

External documents: Nil

Council documents: *Public Transport Levy Policy 2012*
Sustainable Transport Strategy 2011

Information as part of the 2013/14 Budget Workshops.

Critical Dates

There are a number of critical dates associated with this report. They relate specifically to the dates of advice for continuation of existing service initiatives to service providers in accordance with contract provisions and current arrangements. These are:

Council Cabs	before 31 July 2013
Flexilink Service Peachester-Beerwah	before 31 July 2013
Flexilink service Conondale-Maleny	before 31 July 2013
Flexilink Service Kenilworth-Mapleton	before 31 July 2013
Flexilink Service Boreen Point-Tewantin	before 31 July 2013
Flexilink Service Lake Macdonald-Cooroy	before 31 July 2013
Beerwah-Landsborough-Maleny bus service (trial)	before 31 August 2013

Implementation

The implementation of any initiatives related to the public transport levy involves the co-operation, support and at times approvals of:

- TransLink Division of the Department of Transport and Main Roads
- a range of transport operators
- the community at large
- the public transport users and
- Council.

A number of Council teams within the following Branches will be involved in progressing the various stages of each initiative and they include:-

- Transportation Strategy
- Transport and Engineering Services
- Community Development and
- Marketing and Communication.

Clear management, marketing and information distribution and co-ordinator will be the key to the success of many of the initiatives proposed. To clarify responsibilities each initiative will be assigned to a lead agent at different times in its development path. Monitoring of the performance of each initiative will occur.

This page has been intentionally left blank.

5.2.2 2013/14 SUNSHINE COAST ENVIRONMENT LEVY POLICY AND PROGRAM

File No:	ECM
Author:	David Moore, Coordinator Biodiversity Regional Strategy & Planning Department
Appendices:	App A - Revised Environment Levy Policy 2013 App B - Draft Environment Levy Guideline 2013 App C - Proposed Indicative 4 year Environment Levy Program (June 2013)
Attachments:	Att 1 - Proposed Changes to Environment Levy Policy

PURPOSE

The purpose of this report is to seek Council's:

- adoption of a revised Environment Levy Policy and
- adoption of year 1 (2013/14) expenditure of the proposed indicative 4-year Environment Levy Program (June 2013).

EXECUTIVE SUMMARY

The Sunshine Coast Council operates an Environment Levy which is a key funding source for the protection and enhancement of our natural assets including our plants, animals, waterways and coastal foreshores.

Through the Environment Levy Policy, revenue is allocated annually to acquire environmentally significant land, undertake major projects and to engage and support the Sunshine Coast community through a range of environmental grant, incentive and partnership programs. Such activities are guided by the council endorsed Sunshine Coast Biodiversity Strategy 2010-2020 and the Waterways and Coastal Management Strategy 2011-2021.

An annual allocation is adopted by council, which forms part of a 4-year program to allow the program to deliver a more strategic and long term approach to the protection and management of the Sunshine Coast environment.

The implementation of the Environment Levy Program is integrated across the organisation with Infrastructure Services, Community Services, Finance and Business and Regional Strategy and Planning involved in different aspects.

The rate for the Levy has been maintained at a \$60 charge per rateable property per annum since 2009 and raises approximately \$9 million annually to fund the implementation of the endorsed program. As a result of deamalgamation and the reduced number of rateable properties in the second half of the financial year, the estimated 2013/14 revenue for the Sunshine Coast is \$8,388,202.

Following the Environment Levy Policy Review Councillor Workshop in December 2012 and the discussions at recent budget workshops, a number of changes have been recommended to the existing policy and program which has resulted in the development of a:

- revised Environment Levy Policy (**Appendix A**)
- new Environment Levy Organisational Guideline (**Appendix B**) and
- proposed indicative 4-year Environment Levy Program (**Appendix C**).

The proposed 2013/14 Program continues to allocate funding across the three existing themes and includes:

- funding for the acquisition of environmentally significant land and associated and establishment
- delivery of major catchment rehabilitation projects
- increased funding for coastal rehabilitation
- funding to address emerging management issues including a proactive research and education approach to flying fox management
- the maintenance of a range of successful community environmental engagement and support programs and initiatives and
- the maintenance of the transitional arrangements to address the operational expenses historically funded through the Environment Levy.

As requested by council changes have been proposed to the existing policy to support the implementation of the Sunshine Coast Council Regional Flying Fox Management Plan 2013-2016, to enable the dispersal of flying foxes and the removal of vegetation. The revised policy, supported by the new organisational guideline, introduces a more defined governance and reporting process for the effective delivery of the Environment Levy Program.

This report recommends Council's adoption of the revised Environment Levy Policy and year 1 (2013/14) of the proposed indicative 4-year Program (June 2013).

OFFICER RECOMMENDATION

That Council:

- (a) receive and note the report titled "2013/14 Sunshine Coast Environment Levy Policy and Program"**
- (b) adopt the revised Environment Levy Policy 2013 (Appendix A) and note the supporting Environment Levy Organisational Guideline (Appendix B) and**
- (c) adopt year 1 (2013/14) expenditure of the proposed indicative 4-year Environment Levy Program (June 2013) (Appendix C).**

FINANCE AND RESOURCING

The revenue for 2013/14 is estimated at \$8,388,202 which has:

- maintained a \$60 charge per rateable property per annum
- factored in 1.3% growth in new properties (as advised by Business and Finance Department) and
- considered the reduction in the number of rateable properties as a result of deamalgamation for the Jan-June 2014 period.

To assist with the deamalgamation transition period, the 2013/14 Environment Levy budget including estimated revenue and proposed expenditure has been presented into two six month periods being July-December 2013 (SCRC) and January – June 2014 (SCRC-Balance).

Revenue for the SCRC period (July – December) is estimated at \$4,645,148 and was determined based on approximately 50% of the original SCRC estimate.

Revenue for the SCRC – Balance period (January – June) is estimated at \$3,743,054 which is the adjusted revenue after deamalgamation.

Therefore, the estimated Environment Levy Revenue for 2013/14 is \$8,388,202 (SCRC + SCRC-Balance).

Table 1: Proposed Environment Levy expenditure, reserve management and estimated revenue for 2013/14.

Funding Theme	SCRC July – Dec	SCRC Balance Jan - June	TOTAL
Acquisitions	\$1,901,773	\$1,437,258	\$3,339,031
Major Projects	\$800,000	\$640,000	\$1,440,000
Community Engagement and Support	\$1,636,000	\$420,000	\$2,056,000
Operational Phase Out	\$841,602	\$841,602	\$1,683,204
Total Proposed Expenditure	\$5,179,375	\$3,338,860	\$8,518,235
Total Estimated Revenue	\$4,645,148	\$3,743,054	\$8,388,202
Environment Levy Reserve Management	-\$534,227	\$404,194	-\$130,033

Outcomes of the proposed program are to be achieved within the Environment Levy Operating Budget funded by annual revenue and the use of Environment Levy Reserve funds. The current endorsed Program contains a 10 year (ending 2017/18) transitional phase out arrangement for funding day-to-day operational activities that were historically resourced through the Environment Levy. \$1,683,204 of the estimated 2013/14 annual revenue has been allocated to this phase out arrangement. These funds are returned to general revenue annually.

Existing Commitments

The proposed program contains existing commitments for 2013/14 of \$793,201 consisting of:

Major Projects

- ongoing delivery of the 9-year coastal foreshores rehabilitation project (\$300,000) - a \$200,000 increase to this project is contained in the proposed 2013/14 program
- finalisation of the Road Reserve Management Conservation Strategy (\$65,000) and
- finalisation of the Recreational Water Quality Monitoring Program (\$50,000).

Community Engagement and Support

- continuation of nine 3-year partnership agreements (\$222,553) and
- annual maintenance costs of 66 Voluntary Conservation Agreements (\$155,648).

Environment Levy Reserves

As per the endorsed Policy, at the end of each financial year any unspent funds from the three key funding themes are reallocated to the corresponding themes in the Reserve Fund. The Environment Levy Reserves are \$4.964 million (Table 2).

Table 2: Environment Levy Reserves estimated at 1 June 2013

ENVIRONMENT LEVY RESERVES	AMOUNT (\$M)
Land Acquisition (incl. Planning/Legal Costs / Establishment Management Costs)	2.46
Major Initiatives and Catalyst Projects Theme	1.839
Grants, Incentives and Partnerships Theme	0.665
TOTAL	\$ 4.964M

As per Council Resolution SM10/029, 18 May 2010, the Environment Levy Reserve can be used to augment the endorsed Environment Levy Land Acquisition Program when funds for this theme have been expended. Of the 21 properties on the endorsed forward program, 3 have been acquired and 6 are being pursued for acquisition and inclusion in the conservation estate.

Corporate Plan Theme: *Ecological Sustainability*

Emerging Priority: 2.2 - Our natural environment preserved for the future

Strategy: 2.2.3 - Prepare and implement an environmental levy policy and program that focuses on identified strategic needs

Corporate Plan Theme: *Social Cohesion*

Emerging Priority: 5.2 - Strong community groups and networks

Strategy: 5.2.1 - Value and support community organisations and volunteers across the region

Corporate Plan Theme: *Great governance*

Emerging Priority: 8.6 - An informed and engaged community

Strategy: 8.6.3 - Keep the community informed about council's activities through a wide range of communication tools

CONSULTATION

Internal Consultation

In early December 2012 a Councillor Workshop was held to present information on the existing program, options available and officer proposed changes to the Environment Levy Policy and Program. Further discussions have been held with councillors during the budget workshops in regards to emerging issues.

Internal consultation in preparing the revised Environment Levy Policy, proposed 4-year Program and this report has included:

- Integrated Environment Team and associated working groups
- Manager Environmental Operations, Infrastructure Services
- Acting Manager Environment Policy, Regional Strategy and Planning
- Coordinator of Governance, Strategy and Policy, Finance and Business
- Business Manager, Regional Strategy and Planning
- Senior Management Account, Regional Strategy and Planning
- Manager Property and Business, Finance and Business and
- Environment Operations team leaders and team coordinators of Environment Policy.

Community Engagement

No community engagement has been undertaken in relation to this report.

PROPOSAL

This report recommends the maintenance of an Environment Levy charge at \$60 per rateable property per annum and the endorsement of the revised Environment Levy Policy and Year 1 (2013/14) of the proposed indicative 4-year Environment Levy Program (June 2013).

Background

The Sunshine Coast Council operates an Environment Levy which is an important funding source for the protection and enhancement of the Sunshine Coast's natural environment, specifically biodiversity, waterways and coastal foreshores. An important part of council's sustainable vision and economic advantage.

During the last 4-years the Program has made a number of achievements across each of the funding themes including the acquisition of land, delivery of major projects and the engagement and support of not for profit community groups and private landholders through the various partnership, grant and extension initiatives. These achievements include:

- Acquisition of more than 600 hectares of environmentally significant land at a cost of approximately \$12.21 Million (including federal government funding)
- Delivery of coastal rehabilitation at high profile dunal environments extending from Caloundra through to Noosa Spit
- Rehabilitation of over 40 hectares of public and private land along the Mooloolah River
- Ongoing support to the regional Healthy Waterways Program to monitor, assess and report on the health of waterways
- Over 350 successful Landholder Environment Grants since 2009 awarding over \$1 million to undertake natural resource management activities on private property
- Establishment of one and three year environmental partnership funding agreements with 17 not for profit community groups strengthening their capacity to deliver strategic environmental outcomes for the Sunshine Coast
- The maintenance and support for over 1000 Land for wildlife partners and 66 private Voluntary Conservation Agreements that protect 886 hectares of native vegetation
- The development and promotion of a Backyard Biodiversity module to complement Council's Living Smart Program.

The implementation of the Environment Levy Program makes a valuable contribution to the ongoing protection and management of the Sunshine Coast's environment by Council and the community. Aspects of the program also demonstrate a significant return on investments for council. For example, it has been estimated that for every dollar invested by council into its community conservation partnerships program there is a \$7.40 return. Results from a Land for Wildlife survey have estimated landholders invested as much as \$3 million in cash and in-kind labour valued at \$20 million towards managing their properties for nature conservation.

Following the Councillor Environment Levy Review Workshop held in December 2012 and discussions with councillors during the budget workshops, and to better reflect council's direction for the implementation of the Environment Levy, a review of the existing policy and program has been undertaken and is presented in this report for council's consideration.

Revised Environment Levy Policy (Appendix A)

A revised Environment Levy Policy has been drafted. As requested by council changes have been proposed to the existing policy to support the implementation of the Sunshine Coast Council Regional Flying Fox Management Plan 2013-2016, to enable the dispersal of flying foxes and the removal of vegetation. The new policy provides greater clarity for the allocation of Environment Levy revenue and incorporates principles and outlines roles and responsibilities for the effective, transparent and accountable delivery of the Environment Levy Program. Changes made to the revised Environment Levy Policy are outlined in **Attachment 1**.

New Environment Levy Organisation Guideline (Appendix B)

To support the successful implementation of the Policy and Program an organisational guideline has been drafted which outlines administrative, financial, management and governance information and processes to improve accountability and decision making.

Proposed Environment Levy Program (Appendix C)

The development of the new indicative 4-year Environment Levy Program has been informed by the revised Environment Levy Policy, the principles of council's endorsed environmental strategies/plans, as well as emerging planning and management issues.

To build on the achievements made through the existing Environment Levy Program, the proposed program continues with the existing funding themes and includes the changes outlined below.

Land Acquisition

- Maintenance of acquisition funding at approximately 40% of overall estimated revenue.
- 5% increase in funding allocated to the establishment of acquired lands. This results in 15% of the annual land acquisition funding being allocated to initial management costs as per developed property management plans of newly acquired lands.

Major Projects

- A funding theme name change to "Major projects" rather than "Major initiatives and catalysts projects".
- Reduction in allocated revenue from approximately 19% to 14%.
- \$200,000 increase in funding allocated to the Coastal Dunal Rehabilitation Project.
- Investment into on ground catchment projects across the Sunshine Coast including coastal and natural waterway rehabilitation and pest weed projects which align with council endorsed environmental strategies/plans.
- Investment in projects which inform detailed planning, management and delivery of endorsed strategies including emerging issues such as koala and flying fox management and fauna monitoring.
- Inclusion of a project to support vegetation removal and the dispersal of flying foxes associated with the implementation of the Sunshine Coast Regional Flying Fox Management Plan 2013-2016. No funding has been allocated as the Environment Levy Reserves are to fund such activities as required.

Community Engagement and Support

- Increase in allocated revenue to from 23% to 26%.
- A funding theme name change to "Community engagement and support" rather than "Grants, incentives and partnerships".
- Continuation of the successful partnerships, grants, Land for Wildlife, and Voluntary Conservation Agreement programs.
- Inclusion of a flying fox habitat enhancement and community engagement project.
- Inclusion of the Healthy Waterways Partnership contribution which was previously funded through the major projects theme under the Waterways Strategy project.

- Inclusion of funding for the Kids in Action Conference which was funded previously as a trial project. Project aims to build capacity in Sunshine Coast children and teachers to actively participate in addressing local environmental issues.
- Inclusion of funding to host the Sunshine Coast Environmental Conservation Forum which recognises and celebrates with the many volunteers involved with conservation on the Sunshine Coast to be held in September 2013.

Historical Operational Expenses

The proposed program continues the transitional arrangements for funding day-to-day operational activities within Environment Policy and Environmental Operations Branches historically resourced through Environment Levy funds. The continuation of these transitional arrangements was discussed during budget workshop discussions. Given the reduced revenue, the transitional funding represents an increased percentage (2%) of the overall estimated revenue.

Legal

There are no legal implications to this report.

Policy

The development and implementation of the Environment Levy Program is guided by the Environment Levy Policy which provides support for council to achieve its vision for the Sunshine Coast to be "*Australia's most sustainable region – vibrant, green, diverse*".

The Environment Levy Policy and Program is a key funding source for the implementation of council's Sunshine Coast Biodiversity Strategy 2010-2020 and Waterways and Coastal Management Strategy 2011-2021 which are endorsed policy positions for the management of the Sunshine Coast's natural assets.

Risk

A range of initiatives and achievements to date are growing community confidence in Council's ability to deliver this significant Levy program. This is coupled with positive community feedback on the adoption of the Sunshine Coast Biodiversity Strategy 2010 – 2020 and Sunshine Coast Waterway and Coastal Management Strategy 2011-2012.

Failure to continue to fund the Levy may impact Council's ability to:

- acquire land for conservation purposes
- deliver major planning and on-ground projects
- fund existing financial commitments associated with the Program
- regularly monitor and report on the Sunshine Coast's environmental health and
- engage private landowners, community groups and other stakeholders in natural resource management activities, thus reducing the community's capacity to assist Council in the delivery of strategic environmental outcomes.

Previous Council Resolution

At the Council's Special Budget Meeting held on 12 June 2012, Council made the following resolution (SM12/05) in relation to the Environment Levy Policy and Program.

That Council:

- a) receive and note the report titled 'Sunshine Coast Environment Levy Policy and Program';

- b) continue the Environment Levy at a charge of \$60 per rateable property per annum in accordance with the Environment Levy Policy 2009; and
- c) endorse the revised Environment Levy Program (May 2012) (Appendix A).

Related Documentation

- Sunshine Coast Council Corporate Plan 2009 – 2014
- Sunshine Coast Council Environment Levy Policy (Policy Reference Number 23)
- Sunshine Coast Council Biodiversity Strategy 2010 – 2020
- Sunshine Coast Council Waterways and Coastal Management Strategy 2011-2021
- Sunshine Coast Local Government Pest Management Plan 2011-2015
- Sunshine Coast Regional Flying Fox Management Plan 2013-2016

Critical Dates

The annual budget process requires a decision to be made in regards to the charging of an Environment Levy and the recommended chargeable rate.

Implementation

The implementation of the Environment Levy Program is integrated across the organisation with representatives from each department participating in the:

- Infrastructure Services
 - Environment Levy Acquisition Steering Committee
 - Integrated Environment Team and associated working groups
 - assessment panels for the grants and partnerships programs;
 - development and implementation of the Environment Levy Program and Policy
 - establishment of newly acquired Environment Levy properties
 - management of Environment Levy Projects and
 - preparation of Environment Levy Reporting
- Regional Strategy and Planning
 - the development and implementation of the Environment Levy Program and policy
 - management of Environment Levy Projects
 - Environment Levy Acquisition Steering Committee
 - Integrated Environment Team and associated working groups
 - assessment panels for the grants and partnerships programs and
 - preparation of Environment Levy reporting
- Finance and Business
 - management of the Environment Levy revenue and expenditure by providing support and guidance
 - acquisition of identified properties by coordinating valuations, survey work negotiations and planning and legal requirements and
 - development of policies and guidelines associated with the Program

- Community Services
 - provide guidance around the grants and partnerships policy and guidelines
 - management of Environment Levy Projects and
 - participate in the grants and partnerships assessment panels.

Program governance is addressed through the effective implementation of the Environment Levy Policy and associated organisational guideline.

This page has been intentionally left blank.

5.3 FINANCE AND BUSINESS

5.3.1 REVENUE STATEMENT 2013/14

File No: SCRC Budget Development
Author: Executive Director Finance and Business
Finance & Business Department
Appendices: App A - Revenue Statement 2013/14

PURPOSE

For council to adopt the Revenue Statement 2013/14.

EXECUTIVE SUMMARY

Section 169(2)(b) of the *Local Government Regulation 2012* requires council to include a Revenue Statement in the annual budget. The Revenue Statement is an explanatory statement, detailing the revenue measures adopted in the budget (**Appendix A**).

Section 172 of the *Local Government Regulation 2012* details what must be contained in the Revenue Statement and Section 193(2) states that the guidelines for preparing the Revenue Statement may be included in the Revenue Policy.

The key inclusions in the attached Revenue Statement include:

- An overall general rate increase of 5%
- A 7.4% increase in the cost for a 240 litre wheelie bin, and a 14.8% increase in the cost of a 140 litre wheelie bin. These increases are in line with a three year full cost pricing path for all wheelie bin services.
- No increase in key levies such as the environment, public transport and heritage
- Continuation of the standard pension concessions as implemented in the 2012/13 financial year with a total budget of \$3.3 million
- Continuation of the early payment discount, valued at \$7.8 million

Department of Natural Resources and Mines (DERM) issued new annual valuations in March 2013 to the Sunshine Coast, with an effective date of 1 July 2013. The overall decrease in valuations was 6% for the region, which has been incorporated into the differential general rate categories and the valuation based special rates.

OFFICER RECOMMENDATION

That Council:

- (a) receive and note the report titled "Revenue Statement 2013/14"
- (b) pursuant to Section 81 of the *Local Government Regulation 2012* has determined that for the purpose of levying differential general rates for the 2013/14 financial year the different categories of rateable land and a description of those categories is as follows:
 - (i) differential category 1, being land where a primary production concession is granted by the Department of Natural Resources & Mines in accordance with Chapter 2, Part 2, Division 5, Subdivision 2 of the *Land Valuation Act 2010*

- (ii) differential categories 2 to 4 inclusive being commercial and industrial land that is used primarily for commerce or industry in particular urban centres and rural localities, other than land used for another rural production industry
 - (1) differential category 2 valuation to \$175,000
 - (2) differential category 3 valuation from \$175,001 to \$400,000
 - (3) differential category 4 valuation over \$400,000
- (iii) differential category 5 being commercial and industrial land that is used solely for extractive industries
- (iv) differential categories 6 to 15 inclusive, being vacant land or residential land that is used for residential purposes in particular urban centres and rural localities, and is the owners principal place of residence
 - (1) differential category 6 valuation to \$280,000
 - (2) differential category 7 valuation from \$280,001 to \$450,000
 - (3) differential category 8 valuation from \$450,001 to \$550,000
 - (4) differential category 9 valuation from \$550,001 to \$700,000
 - (5) differential category 10 valuation from \$700,001 to \$800,000
 - (6) differential category 11 valuation from \$800,001 to \$920,000
 - (7) differential category 12 valuation from \$920,001 to \$1,100,000
 - (8) differential category 13 valuation from \$1,100,001 to \$1,400,000
 - (9) differential category 14 valuation from \$1,400,001 to \$2,500,000
 - (10) differential category 15 valuation over \$2,500,000
- (v) differential categories 16 to 19 inclusive, being residential land that is used for residential purposes in particular urban centres and rural localities, and is not the owners principal place of residence
 - (1) differential category 16 valuation to \$420,000
 - (2) differential category 17 valuation from \$420,001 to \$500,000
 - (3) differential category 18 valuation from \$500,001 to \$750,000
 - (4) differential category 19 valuation over \$750,000
- (vi) differential category 20 being vacant land, including land comprising of more than one registered lot where a single valuation has been issued for the multiple lots, with a valuation greater than \$1,000,000 and a total area greater than 1500 square meters
- (vii) differential category 21, being land that is
 - (1) subject to a Stock Grazing Permit, or
 - (2) a Pump Station, or
 - (3) a small lot or strata garage less than 20 square metres
- (viii) differential category 22, being vacant land subject to Chapter 2, Part 2, Division 5, Subdivision 3 of the *Land Valuation Act 2010*
- (ix) differential category 23, being land that is used for retirement villages purposes and/or aged people home providing non-medical care, or a mixture of medical and non-medical care
- (x) differential categories 24 to 26 inclusive, being land that is used for shopping centre purposes, or has the potential predominant use by virtue of its improvements or activities conducted upon the land of shopping centre purposes
 - (1) differential category 24 valuation from \$3,000,000 to \$10,000,000

- (2) differential category 25 valuation over \$10,000,000, which does not fall into differential category 26
- (3) differential category 26 applies to land in Maroochydore where the rateable value is over \$30,000,000
- (xi) differential categories 27 and 29, being residential land that is used for residential purposes, subject to a community title, and is not the owners principal place of residence:
 - (1) differential category 27 all strata units within a complex containing greater than 4 stories above the ground
 - (2) differential category 29 all strata units within a complex containing a maximum of 4 stories above the ground
- (xii) differential categories 28 and 30, being residential land that is used for residential purposes, subject to a community title, and is the owners principal place of residence:
 - (1) differential category 28 all strata units within a complex containing greater than 4 stories above the ground
 - (2) differential category 30 all strata units within a complex containing a maximum of 4 stories above the ground
- (xiii) other land being any other type of land
- (c) adopts the 2013/14 Revenue Statement (Appendix A) ("the Revenue Statement") in accordance with Section 169(2)(b) of the *Local Government Regulation 2012* and also adopts pursuant to Section 94 of the *Local Government Regulation 2012* the overall plans for the special rates and charges for the following and appearing in the Revenue Statement, namely:
 - (i) Montville Beautification Levy
 - (ii) Twin Waters Maintenance Charge
 - (iii) Tourism Levy
 - (iv) Noosa Waters Lock and Weir Maintenance Levy
 - (v) Noosa Main Beach Precinct Streetscape Levy
 - (vi) Rural Fire Charge
 - (vii) Hastings Street Community Safety Program Charge
 - (viii) Lower North Shore Electricity Charge
 - (ix) Noosa Junction Levy
 - (x) Brightwater Estate Landscaping Charge
 - (xi) Sunshine Cove Maintenance Charge and
 - (xii) Mooloolah Island Maintenance Charge.
- (d) levies differential general rates, special rates and charges for those properties identified in the Overall Plan relevant to their area, utility charges and separate rates and charges for the 2013/14 financial year pursuant to Section 94 of the *Local Government Act 2009* at the rates included within the Revenue Statement
- (e) has determined, pursuant to Section 118 of the *Local Government Regulation 2012*, that rates and charges must be paid within 30 days of the issuing of rates notices
- (f) has determined to allow a discount for the payment of rates and charges pursuant to Section 130 of the *Local Government Regulation 2012* in

accordance with the Revenue Statement and

- (g) has determined to allow payment of certain rates or charges by instalments and concessions to certain classes of ratepayer pursuant to Section 129 and Section 119 of the *Local Government Regulation 2012* in accordance with the Revenue Statement.

FINANCE AND RESOURCING

The 2013/14 Budget has been developed with the inclusion of the rates and charges as detailed in the Revenue Statement.

An operating surplus of \$12.7 million has been achieved with net rates and utility charges of \$253.1 million.

CORPORATE PLAN

Corporate Plan Theme: *Great governance*

Emerging Priority: 8.1 - Ethical, accountable and transparent decision-making

Strategy: 8.1.1 - Develop and implement a governance framework that provides transparent and accountable processes and enhances council's reputation

Corporate Plan Theme: *Great governance*

Emerging Priority: 8.1 - Ethical, accountable and transparent decision-making

Strategy: 8.1.2 - Ensure legislative compliance and awareness

Corporate Plan Theme: *Great governance*

Emerging Priority: 8.3 – Strong financial management

Strategy: 8.3.2 – Ensure council's financial performance is well managed and leads to a strong financial position.

CONSULTATION

Internal Consultation

The development of the 2013/14 Revenue Statement has involved consultation and engagement through Councillor meetings and discussions, including:

- Strategic Positioning Budget workshop, 5 November 2012
- Budget workshop, 19 March 2013
- Budget workshop, 25 March 2013
- Budget workshop, 22 April 2013
- Budget workshop, 13 May 2013
- Budget workshop, 20 May 2013
- Budget workshop, 28 May 2013
- Budget workshop, 29 May 2013
- Special Budget meeting, 11 June 2013

External Consultation

No external consultation was required for this report.

Community Engagement

No community engagement was required for this report.

PROPOSAL

Following recent budget discussions and the endorsement of the Revenue Statement 2013/14 at the Statutory Budget Meeting on 11 June 2013, council is now in a position to adopt the Revenue Statement for the 2013/14 financial year.

The general rate revenue for the 2013/14 financial year will continue to be levied using a system of differential general rating. The system includes 30 differential categories with 17 differential bands used for residential properties and a minimum general rate set at \$1,027.

The Department of Natural Resources and Mines (DNRM) has issued new valuations for the 2013/14 financial year with an overall decrease for the region of 6%. Modeling has been undertaken to incorporate the new valuations into the Differential General Rating scheme for 2013/14. The rate in the dollar has been adjusted to reflect fluctuations in the valuations, enabling maintenance of the revenue derived from each differential category.

The general rate increase of 5% results in a minimum general rate for the 2013/14 financial year of \$1,027, an increase of \$49 per annum from \$978 per annum. There are 67% of residential ratepayers on the minimum general rate, consistent with previous years, and 87% of residential ratepayers will experience a general rate increase of 5% or less.

The three separate charges levied in the region remain unchanged, the Environment Levy at \$60 per annum, the Public Transport Levy at \$20 per annum, and the Heritage Levy at \$5 per annum.

The Tourism Levy, Noosa Main Beach Precinct Streetscape Levy and the Noosa Waters Lock and Weir Maintenance Levy have been adjusted to raise revenue equivalent to last financial year, given the reduction in valuations. The Montville Beautification Levy, Noosa Junction Levy, Twin Waters Maintenance Charge, the Hastings Street Community Safety Program Charge and the Brightwater Estate Landscaping Charge have had a CPI increase in their total revenue.

Two new special charges, Sunshine Cove Maintenance Charge and the Mooloolah Island Maintenance Charge, will be implemented in 2013/14.

The Sunshine Cove Maintenance Charge, council has previously resolved to set a Benefited Area Levy for the higher than normal landscaping standard and level of service provided in Sunshine Cove, prior to the release of the first stage of development "off maintenance". The Sunshine Cove Maintenance Charge will provide for a higher level of landscaping and maintenance services for approximately 200 properties in the rapidly developing Sunshine Cove area, at a cost of \$115 per annum.

As a response to a request to council, from Mooloolah Island Residents, council investigated the implementation of a levy for an above normal standard maintenance to streetscaping. The Mooloolah Island Maintenance Charge will similarly provide for a higher service standard to lawn areas on Mooloolah Island. This charge will be levied on 34 properties at an annual cost of \$150 each.

Following the implementation of standard pensioner concessions across the region in the 2012/13 budget no changes to pensioner concessions have been made for the 2013/14 financial year. Approximately 29,000 property owners are eligible pensioners. Of those just under 10,500 have sole title to their property and 13,500 properties have more than one pensioner owner, resulting in a total of approximately 24,000 properties being eligible for a council concession in the coming financial year, totalling \$3.3 million.

Waste Management charges have been increased in line with a 3 year full cost pricing path for wheelie bins.

The cost of a 140 litre wheelie bin has increased by \$25.70, from \$173.30 to \$199.00.
 The cost of a 240 litre wheelie bin has increased by \$17.00, from \$229.00 to \$246.00.
 Bulk bin prices have increased by 19% to reflect full cost price for the 2013/14 financial year.

Holding tank charges are increasing by an average of 10.7% per annum, also on a pricing path to full cost pricing over 3 years. The charge for a fortnightly service has increased by \$256 per annum.

The percentage change in total rates and utility charges from 2012/13 to 2013/14 is 5.1%.

Total Rates & Charges	2012/13	2013/14	\$ Variation	% Variation
Minimum general rate	\$978.00	\$1,027.00	\$49.00	5.0%
240 litre wheelie bin	\$229.00	\$246.00	\$17.00	7.4%
Environment Levy	\$60.00	\$60.00	\$0.00	0.0%
Public Transport Levy	\$20.00	\$20.00	\$0.00	0.0%
Heritage Levy	\$5.00	\$5.00	\$0.00	0.0%
Gross Rates & Charges	\$1,292.00	\$1,358.00	\$66.00	5.1%
Discount (general rate only)	\$48.90	\$51.35	\$2.45	5.0%
Net Rates & Charges	\$1,243.10	\$1,306.65	\$63.55	5.1%

Legal

Section 169(2)(b) of the *Local Government Regulation 2012* requires that council include in the annual budget a Revenue Statement.

Section 172 of the *Local Government Regulation 2012* details what must be included in the Revenue Statement.

Policy

The Revenue Statement 2013/14 is consistent with the Revenue Policy 2013/14.

Risk

Budget parameters include general rates growth of 1.5%. The growth rate will need to be closely monitored throughout the year with any reductions reflected in budget reviews.

Previous Council Resolution

At the Council Special Budget Meeting held on 11 June 2013, council made the following resolution (SM13/13):

That Council:

- (a) receive and note the report titled "Revenue Statement 2013/2014" and
- (b) endorse the Revenue Statement 2013/2014 (Appendix A) for inclusion in the budget adoption on 25 June 2013.

Related Documentation

Revenue Statement has been developed in accordance with the principals outlined in the Revenue Policy 2013/14.

Critical Dates

The Revenue Statement must be adopted as part of the annual budget in order for the bi-annual rates to be issued before the end of July 2014.

Implementation

The Revenue Statement sets out the details of the rates and charges that will be levied during the 2013/14 financial year.

This page has been intentionally left blank.

5.3.2 ADOPTION OF 2013/14 BUDGET AND FORWARD ESTIMATES FOR THE 2014/15 TO 2022/23 FINANCIAL YEARS

File No:	Financial Reports
Author:	Ray Turner, Executive Director Finance and Business Finance & Business Department
Appendices:	App A - 2013/14 Budget Schedules App B - 2013/14 Competitive Neutrality Adjustments and Community Service Obligations App C - 2013/14 Ten Year Capital Works Program App D - 2013/14 Debt Policy

PURPOSE

This report presents the 2013/14 Budget and forward estimates for the Sunshine Coast Council for adoption of the 2013/14 Budget.

EXECUTIVE SUMMARY

Sections 169 to 171 of the *Local Government Regulation 2012* prescribe the requirements for the adoption of council's budget. This report complies with and exceeds the disclosure requirements of the Regulation.

Included in the appendices are the following financial statements and forward estimates:

1. Statements of Income and Expenses
2. Change in Rates and Utility charges
3. Statement of Financial Position
4. Statement of Changes in Equity
5. Statement of Cash Flows
6. Measures of Financial Sustainability and
7. Schedule of Capital Works

The 2013/14 budget has been developed in conjunction with a review of the organisational structure, preparation for the de-amalgamation of the Noosa area from 1 January 2014, and with structural changes to ensure the long term financial viability of the Sunshine Coast region.

The 2013/14 Budget totals \$538 million with some of the more significant highlights of the budget being:

- A balanced budget which includes a positive operating result of \$12.7 million
- A general rate increase of 5%
- No increase in key levies such as the environment, public transport, tourism and heritage levies
- Continuation of pension remissions, currently estimated at \$3.3 million
- Continuation of early payment discounts, currently estimated at \$7.8 million and
- A total capital works program of \$109.3 million.

Under the *Local Government Regulation 2012*, council must prepare an accrual based budget for each financial year which is consistent with council's Long Term Financial Forecast (summary included in the appendices), 5-year Corporate Plan and Annual Operational Plan. To comply with the Regulation, council must also publish results against a series of measures of financial sustainability for the budget year and the next nine (9) financial years.

The budgeted statements are aligned with council's Long Term Financial Forecast, Financial Plan, Corporate Plan, Operational Plan and with the exception of the Asset Sustainability Ratio (reflecting the ongoing development of council's asset management plans), council is meeting or bettering the Department of Local Government and Planning's financial sustainability measures in the 2013/14 budget year and each of the subsequent nine (9) years.

National Competition Policy reform provisions contained in the *Local Government Act 2009* (the Act) require council's nominated 'business activities' to apply the competitive neutrality principle to their operations.

OFFICER RECOMMENDATION

That Council:

- (a) receive and note the report titled "Adoption of the 2013/14 Budget and Forward Estimates for the 2014/15 to 2022/23 financial years"
- (b) adopt the 2013/14 Budget Schedules (Appendix A) including Forward Estimates, the Revenue Statement 2013/14 as previously adopted; and the Revenue Policy 2013/14 as previously adopted
- (c) approve the Competitive Neutrality Adjustments and Community Service Obligations for its business activities (Appendix B) for inclusion in the 2013/14 Budget
- (d) adopt the 2013/14 Capital Works program, endorse the indicative four-year program for the period 2014/15 to 2017/18, and note the five-year program for the period 2018/19 to 2022/23 (Appendix C) and
- (e) adopt the revised 2013/14 Debt Policy (Appendix D).

FINANCE AND RESOURCING

This report sets the budget for 2013/14 financial year and outlines the forecast financial position of Council over the subsequent 9 years, including projected cash levels, capital works and intended borrowings.

CORPORATE PLAN

Corporate Plan Theme: *Great governance*

Emerging Priority: 8.1 - Ethical, accountable and transparent decision-making
Strategy: 8.1.2 - Ensure legislative compliance and awareness

Corporate Plan Theme: *Great governance*

Emerging Priority: 8.3 - Strong financial management
Strategy: 8.3.1 - Develop long term financial plans and indicators to achieve optimum use of resources and alignment to strategic priorities

Corporate Plan Theme: *Great governance*

Emerging Priority: 8.3 - Strong financial management
Strategy: 8.3.2 - Ensure council's financial performance is well managed and leads to a strong financial position

CONSULTATION

Internal Consultation

The development of the 2013/14 budget has involved consultation and engagement through councillor meetings and discussions including:

- Budget Workshop, 5 November 2012
- Budget Workshop, 19 March 2013
- Budget Workshop, 25 March 2013
- Budget Workshop, 22 April 2013
- Budget Workshop, 13 May 2013
- Budget Workshop, 20 May 2013
- Budget Workshop, 28 May 2013
- Budget Workshop, 29 May 2013
- Budget Workshop, 3 June 2013
- Special Meeting (Budget), 11 June 2013
- Budget Workshop, 11 June 2013

All departments and branches have participated in the formation of the recommendations associated with this report.

External Consultation

Queensland Treasury Corporation was consulted through a review of council's cash management and liquidity, and the Local Government Association of Queensland was consulted in respect of the application of revised Local Government regulations.

Council has also consulted with the Transfer Manager and the Department of Local Government regarding the separation of Noosa Council.

Community Engagement

No community engagement is required for this report.

PROPOSAL

The 2013/14 budget has been framed under a backdrop of organisational change. In March 2013 the Noosa community voted for de-amalgamation from the Sunshine Coast Council and will form a new council from 1 January 2014. In the analysis undertaken by Queensland Treasury Corporation it was identified that Sunshine Coast Council would need to undertake structural changes to remain financially sustainable in 2014 and beyond.

Council had already engaged an external consultant to undertake a review of the organisation and to assess council's positioning to meet future challenges and opportunities. This review has recommended some key changes which have been incorporated into the 2013/14 budget and forward projections.

Revenue and costs associated with Noosa Council have been extracted from council's budget from 1 January 2014 onwards, and in general terms this has equated to an approximate 20% (annual equivalent) reduction in the budget. For 2013/14, the budget was developed for a full twelve month period for comparative purposes and then the Noosa related elements were removed to arrive at the figures included in the final Sunshine Coast Council budget. Forward projections for Noosa have also been removed from the long term financial forecast and the capital works program.

The 2013/14 Budget, Forward Estimates and Financial Sustainability Measures will be further reviewed after Noosa de-amalgamates.

Further, the 2013/14 budget has been developed upon the framework of the following key budget principles:

- Maintain or increase cash levels
- Maintain or decrease debt levels and
- Operating result to at least equal debt redemption plus a contribution towards new capital expenditure.

The 2013/14 budget delivers a positive operating result of \$12.7 million whilst incorporating the abovementioned impacts and maintaining core service delivery. This operating result is used to fund key infrastructure projects included in the capital works program.

General rates have been increased by 5.0% in recognition of the significant cost pressures facing our ratepayers while noting that council is similarly exposed to many of the same cost increases.

Consolidated asset management plans were used to frame the development of the 2013/14 capital works program, with some projects being extended over a longer timeframe as a result of revised priorities and funding constraints.

Council has significant commercial business activities with Sunshine Coast Airport, Waste and Resource Management, Sunshine Coast Holiday Parks and Quarries contributing to the overall 2013/14 financial result.

In addition to these businesses, council also has two wholly owned enterprises - Sunshine Coast Events Centre and Noosa Biosphere Ltd which support the cultural and environmental diversity of the region.

The following revenue streams from Unitywater are included in the budget:

- Interest on shareholder loans \$26.2 million
- dividends \$21.3 million
- tax equivalents \$5.7 million and
- loan repayments \$4.5 million.

At a glance some of the more significant highlights of the 2013/14 budget include:

- a budget which includes a projected positive operating result of \$12.7 million
- a general rate increase of 5.0%
- no increase in key levies such as the environment, public transport, tourism and heritage levies
- continuation of pension remissions, currently estimated at \$3.7million
- continuation of early payment discounts, currently estimated at \$8.7 million and
- a total Capital Works Program of \$109.3 million.

Section 169(3) of the *Local Government Regulation 2012* requires the statement of income and expenditure to include each of the following:

- (a) rates and utility charges excluding discounts and rebates
- (b) contributions from developers
- (c) fees and charges
- (d) interest
- (e) grants and subsidies
- (f) depreciation
- (g) finance costs
- (h) net result and
- (i) estimated costs of significant business activities and commercial business units.

The above items are included in **Appendix A**.

In addition, brief discussions on each of the major line items of the budget are outlined below.

Operating Revenue

Net Rates and Utility Charges

General rates have increased by 5.0% and Waste Management charges for the 240 litre wheelie bin are increasing by 7.4%. The Environment Levy (\$60), Public Transport Levy (\$20), Tourism Levy (\$60 minimum) and Heritage Levy (\$5) have not increased in the 2013/14 Budget.

Pension remissions, currently estimated at \$3.7 million and the 5% early payment discounts currently estimated at \$8.7 million have been maintained in the budget.

Whilst economic conditions remain relatively stable, the impact of a high Australian dollar, weakening employment and non-mining business investment have resulted in a conservative approach being taken, with anticipated growth in properties of 1.5% incorporated into the budget.

Full details of council's rates and charges are outlined in the Revenue Statement.

Fees and Charges

The two major components of fees and charges are general (\$45.8 million) and development assessment (\$7.5 million). Both categories continue to be impacted by the current economic downturn.

Interest Received from Investments

Interest from council's Unitywater investment has been estimated at \$26.2 million, with the balance (\$8.5 million) being interest from investment of surplus cash throughout the year. Interest from council's investments has been negatively impacted by the reduction in interest rates and a reduction in the level of funds available for investment.

Grants and Subsidies - Recurrent

The major grants and subsidies include general purpose Federal grants (\$7.9 million), libraries (\$1.3 million) and respite care (\$1.1 million).

Operating Contributions

This line item includes development infrastructure charges that are operating in nature.

Dividends Received

Dividends are comprised of Unitywater dividends of \$21.3 million and tax equivalents of \$5.7 million.

Other Revenue

Council revenues in this line are mainly attributable to lease revenue (\$5.9 million), sale of recyclables (\$2.3 million) and recoverable works (\$1.9 million).

Internal Revenues

The \$7.6 million of internal revenues represent “sales” from council’s internal service providers to the capital program. Major “sales” include quarry products (\$5.0 million) and heavy plant hire (\$1.7 million).

Operating Expenses

Employee Costs

Employee costs represent the operational employee costs of the organisation with an additional \$18.9 million of employee costs being charged directly to capital. Employee costs include all employee related expenditure including items such as superannuation, fringe benefits tax and workers compensation insurance.

Whilst employee costs have been increased by 3.5% in the 2013/14 budget in line with council’s certified agreement, this budget has also been impacted by the outcome of the organisational review, resulting in overall cost reductions of \$4.7 million.

Materials and Services

The 2013/14 budget for materials and services has been increased by applicable allowances for growth and price. As mentioned earlier, council is also impacted by some of the key cost pressures being experienced by normal households. The budget includes increases of 10.0% for electricity and 5.5% for fuel.

Finance Costs

This line item is mainly made up of interest on council’s loans from Queensland Treasury Corporation of \$13.2 million and bank and merchant fees of \$790,000.

Company Contributions

This line item represents contributions to council’s wholly owned companies. These contributions comprise Sunshine Coast Events Centre (\$1.1 million) and Noosa Biosphere Ltd (\$85,100).

Depreciation

The budget includes depreciation expense of \$70.5 million. There may be some change in this line item during the year through reviews of council asset management plans, asset replacement values and useful lives.

Other Expenses

Major components include motor vehicle leases (\$5.7 million), office equipment leases (\$2.2 million), software maintenance (\$2.4 million), building leases (\$1.2 million) and contributions and donations (\$2.8 million). Contributions and donations are made up of major events funding of \$1.3 million, payments to Sunshine Coast Destination Limited of \$550,000 and the rural fire brigade of \$550,000.

Community Service Obligations and Competitive Neutrality Adjustments

At the Ordinary Meeting of 23 May 2013 (OM13/94), council applied the National Competition Policy reforms to its business activities. Full Cost Pricing was applied to the Waste & Resource Management significant business activity and the Code of Competitive Conduct was applied to Sunshine Coast Airport, Sunshine Coast Holiday Parks and the Quarries Business Units.

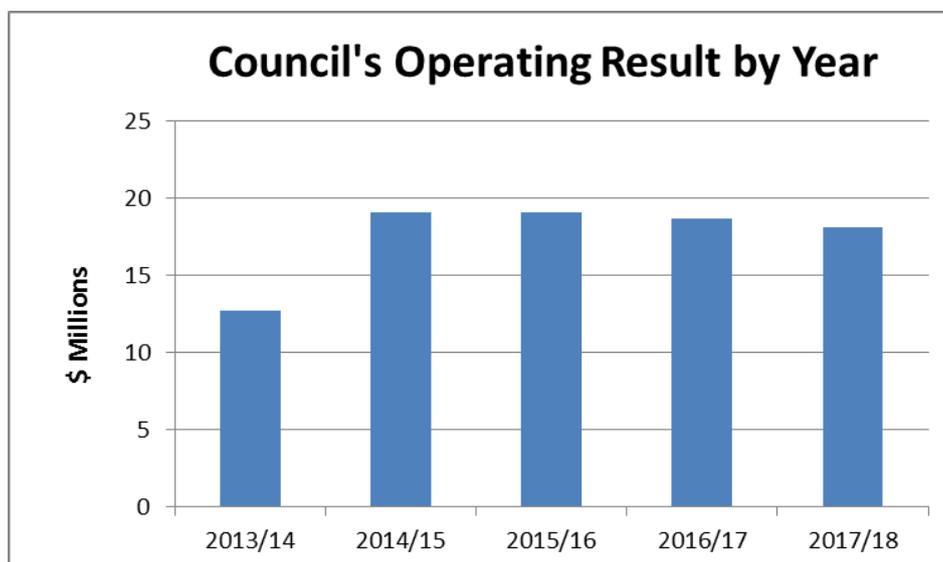
National Competition Policy reform provisions contained in the Act require council's nominated 'business activities' to apply the competitive neutrality principle to their operations. Competitive neutrality aims to promote efficient competition between council businesses and private sector businesses. Specifically, the application of competitive neutrality seeks to ensure that council's business activities do not enjoy competitive advantages over their private sector competitors simply by virtue of their public sector ownership.

A key component of competitive neutrality is full cost pricing. Prices are required to be set to fully recover all the relevant costs of supplying a product or service, including the recovery of all of the direct and indirect costs of running the business, including the application of corporate overheads and the targeting of a commercial return on capital employed in the business, and removing any competitive advantages or disadvantages associated with the business being operated by council.

Full details are outlined in **Appendix B**.

Operating Result

The following graph which shows council's operating result for the period 2013/14 to 2017/18 net of capital revenues is a strong indicator of council's ongoing financial sustainability.



As at 30 June 2023 (the end of the published out year statements), some key sustainability statistics are cash \$159 million, non-current assets \$5,875 million, debt \$148 million and current year operating result \$25.4 million.

Financial Sustainability

Under the *Local Government Regulation 2012*, council must prepare an accrual based budget for each financial year which is consistent with council's Long Term Financial Forecast, five (5) year Corporate Plan and Annual Operational Plan. To comply with the Regulation, council must also publish results against a series of measures of financial sustainability for the budget year and the next nine (9) years.

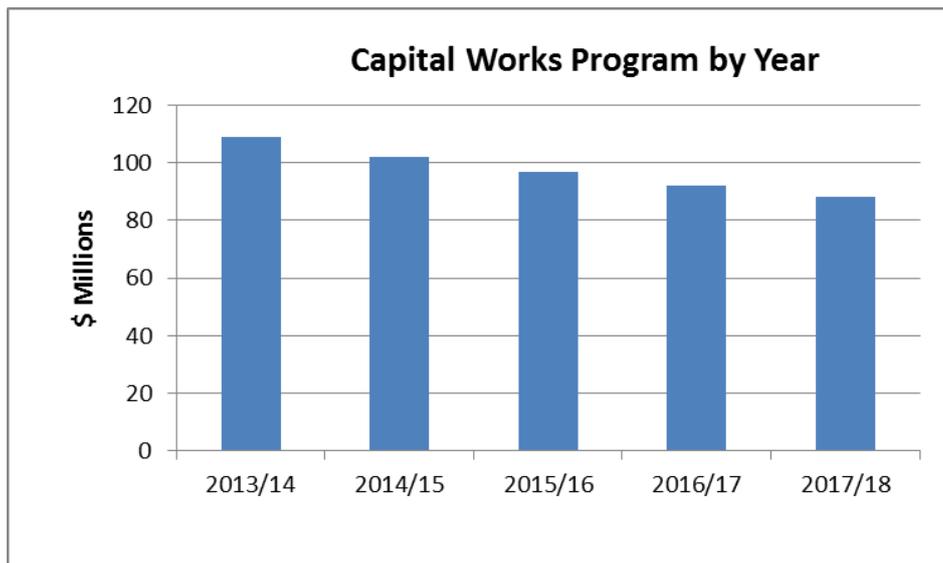
The 2013/14 budget results against each of the Department of Local Government and Planning's Financial Management Sustainability 2011 Guideline targets are given in the following table. With the exception of the asset sustainability ratio, council is meeting or bettering the LGA indicator in the 2013/14 budget year and each of the subsequent 9 years (as highlighted in **Appendix A**). The result for the asset sustainability ratio reflects the

development phase of council's asset management plans and is also linked to the planned review of asset replacement values and useful lives.

Capital Expenditure

The 10-year financial forecast has identified moderate increases in general rates required to finance increasing costs associated with growth of the asset base and scope of activities required. The forecast identifies the investment in infrastructure assets of almost \$910 million, funded from the operating surplus, capital contributions from State and Commonwealth Government grants, developers, and moderate loan funding.

A graph of the estimated Capital Works Program by year for the period 2013/14 to 2022/23 is below.



Legal

Section 169 of the *Local Government Regulation 2012* identifies all elements required for inclusion in council's budget.

Under Section 170 of *Local Government Regulation 2012*, a local government must adopt its budget for a financial year after 31 May in the year before the financial year and before 1 August in the financial year, or a later day decided by the Minister.

Under this regulation, council must prepare an accrual based budget for each financial year which is consistent with council's Long Term Financial Forecast, Financial Plan, five (5) year Corporate Plan and annual Operational Plan (as previously adopted).

The budget must show prescribed financial information for the current year and two out years together with details of relevant measures of financial sustainability (ratios) for the current year and nine out years.

Policy

These financial statements have been prepared in accordance with council's Financial Sustainability Plan and adopted strategies.

This report complies with council's legislative obligations and the Organisation Policy on Competition Reform Compliance.

Risk

Risks associated with the de-amalgamation of Noosa Council have been considered where possible and mitigating factors have been included. The final transfer of assets, liabilities and staff resources may impose higher obligations on Sunshine Coast Council than has been forecast.

The structural reform undertaken as part of the Sunshine Coast Council organisational review may not be implemented within the currently predicted timeframe, and as a result some of the forecast savings may not be achieved within the 2013/14 financial year.

The 2013/14 budget includes revenue that is based upon assumptions in relation to savings in operational expenses by Unitywater, the unknown impact of the price cap and an assumption on Sunshine Coast Councils' share of participation rights.

Previous Council Resolution

23 May 2013 (OM 13/94) Application of National Competition Policy Reform 2013-2014:

That Council:

- (a) receive and note the report titled "Application of National Competition Policy Reform 2013-2014";*
- (b) apply Full Cost Pricing to the Waste and Resource Management significant business activity for the 2013-2014 financial year in accordance with section 44(1)(b) of the Local Government Act 2009; and*
- (c) apply the Code of Competitive Conduct to the following business activities, for the 2013-2014 financial year in accordance with section 47 of the Local Government Act 2009:*
 - (i) Sunshine Coast Airport;*
 - (ii) Sunshine Coast Holiday Parks; and*
 - (iii) Quarries.*

23 May 2013 (OM13/92) Financial Policies 2013/2014:

That Council:

- (a) receive and note the report titled "Financial Policies 2013/2014";*
- (b) adopt the 2013/2014 Investment Policy (Appendix A) and*
- (c) adopt the 2013/2014 Debt Policy (Appendix B).*

11 June 2013 (SM13/12) Revenue Policy 2013/2014:

That Council:

- (a) receive and note the report titled "**Revenue Policy 2013/2014**" and*
- (b) in accordance with Section 193 of the Local Government Regulation 2012 council adopt the Revenue Policy 2013/2014 (Appendix A) for inclusion in the annual budget.*

11 June 2013 (SM13/13) Revenue Statement 2013/2014:

That Council:

- (a) receive and note the report titled "**Revenue Statement 2013/2014**" and*
- (b) endorse the Revenue Statement 2013/2014 (Appendix A) for inclusion in the budget adoption on 25 June 2013.*

11 June 2013 (SM13/14) Register of Cost-Recovery Fees and Commercial Charges 2013/2014:

That Council:

- (a) receive and note the report titled "**Register of Cost-recovery Fees and Commercial Charges 2013/2014**"*

- (b) *adopt the fees detailed in the Register of Cost-recovery Fees and Commercial Charges 2013/14 (Appendix A, B, C and D)*
- (c) *resolve that, in relation to those cost-recovery fees to which Section 97 of the Local Government Act 2009 apply:*
 - (i) *the applicant is the person liable to pay these fees; and*
 - (ii) *the fee must be paid at or before the time the application is lodged; and*
- (d) *delegate to the Chief Executive Officer the power to amend commercial charges to which section 262(3)(c) of the Local Government Act 2009 apply.*

11 June 2013 (SM13/15) 2013/2014 Ten-Year Capital Works Program:

*That Council receive and note the report titled “**2013/2014 Ten-Year Capital Works Program**”.*

11 June 2013 (SM13/16) Proposed 2013/14 Budget for Adoption 25 June 2013:

That Council:

- (a) *receive and note the report titled “**Proposed 2013/2014 Budget for Adoption 25 June 2013**” and*
- (b) *receive the proposed 2013/2014 Budget included as Appendix A to this report.*

Related Documentation

All the 2013/14 Budget reports and briefing papers.

Critical Dates

Whilst the budget must be adopted before 1 August 2013, any delay in the adoption of the budget impacts on the ability to issue rate notices in July.

Implementation

When adopted the budget will be loaded in council’s finance system in preparation for the new financial year and will be monitored via monthly reports to council and regular budget reviews.

6 NEXT MEETING

Nil

7 MEETING CLOSURE